

**KeySpan Energy Delivery - New England
Revenue Requirement Worksheets**

Witness: Silvestrini
D.T.E. 03-40
Exhibit KEDNE/ALS-3
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	Peak	Off-Peak	Rate R-1 Total
Current Revenues	\$15,348	\$12,365	\$27,713
Price Cap Increase	\$0	\$0	\$0
add: Revenue Deficiency/(Surplus)	\$2,337	\$3,169	\$5,505
Equalized ROR Revenues	\$17,684	\$15,534	\$33,218
Discount Rate Assignment	\$0	\$0	\$0
Revenues used in Rate Design	\$17,684	\$15,534	\$33,218

Discount Rate Shortfall-1st Iteration			
R-2	\$466,767	\$384,320	\$851,087
R-4	\$4,968,411	\$2,391,661	\$7,360,072
Financial Assistance Subsidy	\$5,435,179	\$2,775,980	\$8,211,159
Rate Base (\$/ Class)	\$24,270	\$17,579	\$41,849
Rate Base (%/ Class)	5.21%	10.97%	16.19%
Financial Assistance Allocation	\$283,309	\$304,650	\$587,959
Revenues for 2nd Iteration (\$000)	\$17,968	\$15,838	\$33,806
Head Block Volumes	10,658,142	6,212,547	16,870,689
Subsidy Increase	\$0.0266	\$0.0490	\$0.0349

Discount Rate Shortfall-2nd Iteration			
R-2	\$451,456	\$375,442	\$826,898
R-4	\$4,785,442	\$2,294,260	\$7,079,702
Financial Assistance Subsidy	\$5,236,897	\$2,669,702	\$7,906,599
Rate Base (\$/ Class)	\$24,270	\$17,579	\$41,849
Rate Base (%/ Class)	5.21%	10.97%	16.19%
Financial Assistance Allocation	\$272,973	\$292,986	\$565,960
Revenues for 2nd Iteration (\$000)	\$17,957	\$15,827	\$33,784
Head Block Volumes	10,658,142	6,212,547	16,870,689
Subsidy Increase	\$0.0256	\$0.0472	\$0.0335

Discount Rate Shortfall-3rd Iteration			
R-2	\$452,070	\$375,798	\$827,868
R-4	\$4,791,751	\$2,297,986	\$7,089,737
Financial Assistance Subsidy	\$5,243,821	\$2,673,784	\$7,917,605
Rate Base (\$/ Class)	\$24,270	\$17,579	\$41,849
Rate Base (%/ Class)	5.21%	10.97%	16.19%
Financial Assistance Allocation	\$273,334	\$293,434	\$566,769
Revenues for 3rd Iteration (\$000)	\$17,958	\$15,827	\$33,785
Head Block Volumes	10,658,142	6,212,547	16,870,689
Subsidy Increase	\$0.0256	\$0.0472	\$0.0336

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	Peak	Off-Peak	Rate R-3 Total
Current Revenues	\$123,743	\$43,629	\$167,372
Price Cap Increase	\$0	\$0	\$0
add: Revenue Deficiency/(Surplus)	\$4,849	\$30,013	\$34,862
Equalized ROR Revenues	\$128,592	\$73,642	\$202,234
Discount Rate Assignment	\$0	\$0	\$0
Revenues used in Rate Design	\$128,592	\$73,642	\$202,234

Discount Rate Shortfall-1st Iteration			
R-2			
R-4			
Financial Assistance Subsidy			\$0
Rate Base (\$/ Class)	\$261,737	\$93,301	\$355,038
Rate Base (%/ Class)	56.21%	58.25%	114.46%
Financial Assistance Allocation	\$3,055,299	\$1,616,923	\$4,672,221
Revenues for 2nd Iteration (\$000)	\$131,647	\$75,259	\$206,906
Head Block Volumes	210,939,406	44,179,700	255,119,106
Subsidy Increase	\$0.0145	\$0.0366	\$0.0183

Discount Rate Shortfall-2nd Iteration			
R-2			
R-4			
Financial Assistance Subsidy			
Rate Base (\$/ Class)	\$261,737	\$93,301	\$355,038
Rate Base (%/ Class)	56.21%	58.25%	114.46%
Financial Assistance Allocation	\$2,943,838	\$1,555,019	\$4,498,857
Revenues for 2nd Iteration (\$000)	\$131,536	\$75,197	\$206,733
Head Block Volumes	210,939,406	44,179,700	255,119,106
Subsidy Increase	\$0.0140	\$0.0352	\$0.0176

Discount Rate Shortfall-3rd Iteration			
R-2			
R-4			
Financial Assistance Subsidy			
Rate Base (\$/ Class)	\$261,737	\$93,301	\$355,038
Rate Base (%/ Class)	56.21%	58.25%	114.46%
Financial Assistance Allocation	\$2,947,730	\$1,557,396	\$4,505,126
Revenues for 3rd Iteration (\$000)	\$131,540	\$75,199	\$206,739
Head Block Volumes	210,939,406	44,179,700	255,119,106
Subsidy Increase	\$0.0140	\$0.0353	\$0.0177

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	Peak	Off-Peak	Rate G-41 Total
Current Revenues	\$10,215	\$3,546	\$13,762
Price Cap Increase	\$0	\$0	\$0
add: Revenue Deficiency/(Surplus)	\$649	\$3,023	\$3,672
Equalized ROR Revenues	\$10,864	\$6,570	\$17,434
Discount Rate Assignment	\$0	\$0	\$0
Revenues used in Rate Design	\$10,864	\$6,570	\$17,434

Discount Rate Shortfall-1st Iteration

R-2			
R-4			
Financial Assistance Subsidy			
Rate Base (\$/ Class)	\$20,842	\$7,527	\$28,369
Rate Base (%/ Class)	4.48%	4.70%	9.18%
Financial Assistance Allocation	\$243,295	\$130,438	\$373,733
Revenues for 2nd Iteration (\$000)	\$11,108	\$6,700	\$17,808
Head Block Volumes	11,539,669	1,197,576	12,737,245
Subsidy Increase	\$0.0211	\$0.1089	\$0.0293

Discount Rate Shortfall-2nd Iteration

R-2			
R-4			
Financial Assistance Subsidy			
Rate Base (\$/ Class)	\$20,842	\$7,527	\$28,369
Rate Base (%/ Class)	4.48%	4.70%	9.18%
Financial Assistance Allocation	\$234,419	\$125,444	\$359,863
Revenues for 2nd Iteration (\$000)	\$11,099	\$6,695	\$17,794
Head Block Volumes	11,539,669	1,197,576	12,737,245
Subsidy Increase	\$0.0203	\$0.1047	\$0.0283

Discount Rate Shortfall-3rd Iteration

R-2			
R-4			
Financial Assistance Subsidy			
Rate Base (\$/ Class)	\$20,842	\$7,527	\$28,369
Rate Base (%/ Class)	4.48%	4.70%	9.18%
Financial Assistance Allocation	\$234,729	\$125,636	\$360,365
Revenues for 3rd Iteration (\$000)	\$11,099	\$6,695	\$17,794
Head Block Volumes	11,539,669	1,197,576	12,737,245
Subsidy Increase	\$0.0203	\$0.1049	\$0.0283

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	Peak	Off-Peak	Rate G-42 Total
Current Revenues	\$11,131	\$3,297	\$14,429
Price Cap Increase	\$0	\$0	\$0
add: Revenue Deficiency/(Surplus)	(\$770)	\$886	\$116
Equalized ROR Revenues	\$10,362	\$4,183	\$14,545
Discount Rate Assignment	\$0	\$0	\$0
Revenues used in Rate Design	\$10,362	\$4,183	\$14,545

Discount Rate Shortfall-1st Iteration

R-2			
R-4			
Financial Assistance Subsidy			
Rate Base (\$/ Class)	\$24,728	\$5,983	\$30,711
Rate Base (%/ Class)	5.31%	3.74%	9.05%
Financial Assistance Allocation	\$288,651	\$103,694	\$392,345
Revenues for 2nd Iteration (\$000)	\$10,650	\$4,287	\$14,937
Head Block Volumes	29,375,194	2,284,325	31,659,519
Subsidy Increase	\$0.0098	\$0.0454	\$0.0124

Discount Rate Shortfall-2nd Iteration

R-2			
R-4			
Financial Assistance Subsidy			
Rate Base (\$/ Class)	\$24,728	\$5,983	\$30,711
Rate Base (%/ Class)	5.31%	3.74%	9.05%
Financial Assistance Allocation	\$278,121	\$99,724	\$377,845
Revenues for 2nd Iteration (\$000)	\$10,640	\$4,283	\$14,923
Head Block Volumes	29,375,194	2,284,325	31,659,519
Subsidy Increase	\$0.0095	\$0.0437	\$0.0119

Discount Rate Shortfall-3rd Iteration

R-2			
R-4			
Financial Assistance Subsidy			
Rate Base (\$/ Class)	\$24,728	\$5,983	\$30,711
Rate Base (%/ Class)	5.31%	3.74%	9.05%
Financial Assistance Allocation	\$278,489	\$99,877	\$378,365
Revenues for 3rd Iteration (\$000)	\$10,640	\$4,283	\$14,924
Head Block Volumes	29,375,194	2,284,325	31,659,519
Subsidy Increase	\$0.0095	\$0.0437	\$0.0120

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	Peak	Off-Peak	Rate G-43 Total
Current Revenues	\$22,685	\$6,895	\$29,580
Price Cap Increase	\$0	\$0	\$0
add: Revenue Deficiency/(Surplus)	(\$1,001)	(\$557)	(\$1,558)
Equalized ROR Revenues	\$21,684	\$6,339	\$28,023
Discount Rate Assignment	\$0	\$0	\$0
Revenues used in Rate Design	\$21,684	\$6,339	\$28,023

Discount Rate Shortfall-1st Iteration

R-2			
R-4			
Financial Assistance Subsidy			
Rate Base (\$/ Class)	\$56,288	\$10,710	\$66,998
Rate Base (%/ Class)	12.09%	6.69%	18.78%
Financial Assistance Allocation	\$657,059	\$185,605	\$842,664
Revenues for 2nd Iteration (\$000)	\$22,341	\$6,524	\$28,865
Head Block Volumes	56,211,820	7,396,323	63,608,143
Subsidy Increase	\$0.0117	\$0.0251	\$0.0132

Discount Rate Shortfall-2nd Iteration

R-2			
R-4			
Financial Assistance Subsidy			
Rate Base (\$/ Class)	\$56,288	\$10,710	\$66,998
Rate Base (%/ Class)	12.09%	6.69%	18.78%
Financial Assistance Allocation	\$633,089	\$178,499	\$811,587
Revenues for 2nd Iteration (\$000)	\$22,317	\$6,517	\$28,834
Head Block Volumes	56,211,820	7,396,323	63,608,143
Subsidy Increase	\$0.0113	\$0.0241	\$0.0128

Discount Rate Shortfall-3rd Iteration

R-2			
R-4			
Financial Assistance Subsidy			
Rate Base (\$/ Class)	\$56,288	\$10,710	\$66,998
Rate Base (%/ Class)	12.09%	6.69%	18.78%
Financial Assistance Allocation	\$633,925	\$178,772	\$812,697
Revenues for 3rd Iteration (\$000)	\$22,318	\$6,517	\$28,835
Head Block Volumes	56,211,820	7,396,323	63,608,143
Subsidy Increase	\$0.0113	\$0.0242	\$0.0128

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	Peak	Off-Peak	Rate G-44 Total
Current Revenues	\$10,320	\$2,581	\$12,901
Price Cap Increase	\$0	\$0	\$0
add: Revenue Deficiency/(Surplus)	\$1,306	\$245	\$1,551
Equalized ROR Revenues	\$11,626	\$2,826	\$14,452
Discount Rate Assignment	\$0	\$0	\$0
Revenues used in Rate Design	\$11,626	\$2,826	\$14,452

Discount Rate Shortfall-1st Iteration			
R-2			
R-4			
Financial Assistance Subsidy			
Rate Base (\$/ Class)	\$32,307	\$5,797	\$38,104
Rate Base (%/ Class)	6.94%	3.62%	10.56%
Financial Assistance Allocation	\$377,125	\$100,466	\$477,591
Revenues for 2nd Iteration (\$000)	\$12,003	\$2,927	\$14,929
Head Block Volumes	18,166,469	3,603,885	21,770,354
Subsidy Increase	\$0.0208	\$0.0279	\$0.0219

Discount Rate Shortfall-2nd Iteration			
R-2			
R-4			
Financial Assistance Subsidy			
Rate Base (\$/ Class)	\$32,307	\$5,797	\$38,104
Rate Base (%/ Class)	6.94%	3.62%	10.56%
Financial Assistance Allocation	\$363,367	\$96,619	\$459,987
Revenues for 2nd Iteration (\$000)	\$11,989	\$2,923	\$14,912
Head Block Volumes	18,166,469	3,603,885	21,770,354
Subsidy Increase	\$0.0200	\$0.0268	\$0.0211

Discount Rate Shortfall-3rd Iteration			
R-2			
R-4			
Financial Assistance Subsidy			
Rate Base (\$/ Class)	\$32,307	\$5,797	\$38,104
Rate Base (%/ Class)	6.94%	3.62%	10.56%
Financial Assistance Allocation	\$363,848	\$96,767	\$460,615
Revenues for 3rd Iteration (\$000)	\$11,989	\$2,923	\$14,912
Head Block Volumes	18,166,469	3,603,885	21,770,354
Subsidy Increase	\$0.0200	\$0.0269	\$0.0212

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	Peak	Off-Peak	Rate G-51 Total
Current Revenues	\$3,676	\$2,583	\$6,259
Price Cap Increase	\$0	\$0	\$0
add: Revenue Deficiency/(Surplus)	(\$27)	\$148	\$120
Equalized ROR Revenues	\$3,649	\$2,730	\$6,379
Discount Rate Assignment	\$0	\$0	\$0
Revenues used in Rate Design	\$3,649	\$2,730	\$6,379

Discount Rate Shortfall-1st Iteration

R-2			
R-4			
Financial Assistance Subsidy			
Rate Base (\$/ Class)	\$6,468	\$3,477	\$9,945
Rate Base (%/ Class)	1.39%	2.17%	3.56%
Financial Assistance Allocation	\$75,500	\$60,258	\$135,758
Revenues for 2nd Iteration (\$000)	\$3,724	\$2,791	\$6,515
Head Block Volumes	3,947,938	1,746,228	5,694,166
Subsidy Increase	\$0.0191	\$0.0345	\$0.0238

Discount Rate Shortfall-2nd Iteration

R-2			
R-4			
Financial Assistance Subsidy			
Rate Base (\$/ Class)	\$6,468	\$3,477	\$9,945
Rate Base (%/ Class)	1.39%	2.17%	3.56%
Financial Assistance Allocation	\$72,746	\$57,951	\$130,697
Revenues for 2nd Iteration (\$000)	\$3,721	\$2,788	\$6,510
Head Block Volumes	3,947,938	1,746,228	5,694,166
Subsidy Increase	\$0.0184	\$0.0332	\$0.0230

Discount Rate Shortfall-3rd Iteration

R-2			
R-4			
Financial Assistance Subsidy			
Rate Base (\$/ Class)	\$6,468	\$3,477	\$9,945
Rate Base (%/ Class)	1.39%	2.17%	3.56%
Financial Assistance Allocation	\$72,842	\$58,040	\$130,882
Revenues for 3rd Iteration (\$000)	\$3,721	\$2,789	\$6,510
Head Block Volumes	3,947,938	1,746,228	5,694,166
Subsidy Increase	\$0.0185	\$0.0332	\$0.0230

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	Peak	Off-Peak	Rate G-52 Total
Current Revenues	\$3,471	\$2,809	\$6,280
Price Cap Increase	\$0	\$0	\$0
add: Revenue Deficiency/(Surplus)	(\$166)	(\$678)	(\$844)
Equalized ROR Revenues	\$3,305	\$2,131	\$5,436
Discount Rate Assignment	\$0	\$0	\$0
Revenues used in Rate Design	\$3,305	\$2,131	\$5,436

Discount Rate Shortfall-1st Iteration			
R-2			
R-4			
Financial Assistance Subsidy			
Rate Base (\$/ Class)	\$7,568	\$3,800	\$11,368
Rate Base (%/ Class)	1.63%	2.37%	4.00%
Financial Assistance Allocation	\$88,338	\$65,857	\$154,195
Revenues for 2nd Iteration (\$000)	\$3,394	\$2,197	\$5,590
Head Block Volumes	6,838,468	5,205,142	12,043,611
Subsidy Increase	\$0.0129	\$0.0127	\$0.0128

Discount Rate Shortfall-2nd Iteration			
R-2			
R-4			
Financial Assistance Subsidy			
Rate Base (\$/ Class)	\$7,568	\$3,800	\$11,368
Rate Base (%/ Class)	1.63%	2.37%	4.00%
Financial Assistance Allocation	\$85,115	\$63,336	\$148,451
Revenues for 2nd Iteration (\$000)	\$3,390	\$2,194	\$5,584
Head Block Volumes	6,838,468	5,205,142	12,043,611
Subsidy Increase	\$0.0124	\$0.0122	\$0.0123

Discount Rate Shortfall-3rd Iteration			
R-2			
R-4			
Financial Assistance Subsidy			
Rate Base (\$/ Class)	\$7,568	\$3,800	\$11,368
Rate Base (%/ Class)	1.63%	2.37%	4.00%
Financial Assistance Allocation	\$85,228	\$63,433	\$148,661
Revenues for 3rd Iteration (\$000)	\$3,391	\$2,194	\$5,585
Head Block Volumes	6,838,468	5,205,142	12,043,611
Subsidy Increase	\$0.0125	\$0.0122	\$0.0123

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	Peak	Off-Peak	Rate G-53 Total
Current Revenues	\$5,515	\$3,280	\$8,795
Price Cap Increase	\$0	\$0	\$0
add: Revenue Deficiency/(Surplus)	(\$180)	(\$777)	(\$956)
Equalized ROR Revenues	\$5,336	\$2,503	\$7,839
Discount Rate Assignment	\$0	\$0	\$0
Revenues used in Rate Design	\$5,336	\$2,503	\$7,839

Discount Rate Shortfall-1st Iteration

R-2			
R-4			
Financial Assistance Subsidy			
Rate Base (\$/ Class)	\$12,410	\$4,884	\$17,293
Rate Base (%/ Class)	2.67%	3.05%	5.71%
Financial Assistance Allocation	\$144,858	\$84,634	\$229,492
Revenues for 2nd Iteration (\$000)	\$5,481	\$2,588	\$8,068
Head Block Volumes	9,472,660	6,305,205	15,777,865
Subsidy Increase	\$0.0153	\$0.0134	\$0.0145

Discount Rate Shortfall-2nd Iteration

R-2			
R-4			
Financial Assistance Subsidy			
Rate Base (\$/ Class)	\$12,410	\$4,884	\$17,293
Rate Base (%/ Class)	2.67%	3.05%	5.71%
Financial Assistance Allocation	\$139,574	\$81,394	\$220,968
Revenues for 2nd Iteration (\$000)	\$5,475	\$2,584	\$8,060
Head Block Volumes	9,472,660	6,305,205	15,777,865
Subsidy Increase	\$0.0147	\$0.0129	\$0.0140

Discount Rate Shortfall-3rd Iteration

R-2			
R-4			
Financial Assistance Subsidy			
Rate Base (\$/ Class)	\$12,410	\$4,884	\$17,293
Rate Base (%/ Class)	2.67%	3.05%	5.71%
Financial Assistance Allocation	\$139,758	\$81,518	\$221,277
Revenues for 3rd Iteration (\$000)	\$5,476	\$2,584	\$8,060
Head Block Volumes	9,472,660	6,305,205	15,777,865
Subsidy Increase	\$0.0148	\$0.0129	\$0.0140

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	Peak	Off-Peak	Rate G-54 Total
Current Revenues	\$5,907	\$1,748	\$7,655
Price Cap Increase	\$0	\$0	\$0
add: Revenue Deficiency/(Surplus)	\$10	\$1,120	\$1,130
Equalized ROR Revenues	\$5,917	\$2,868	\$8,784
Discount Rate Assignment	\$0	\$0	\$0
Revenues used in Rate Design	\$5,917	\$2,868	\$8,784

Discount Rate Shortfall-1st Iteration			
R-2			
R-4			
Financial Assistance Subsidy			
Rate Base (\$/ Class)	\$18,703	\$6,925	\$25,628
Rate Base (%/ Class)	4.02%	4.32%	8.34%
Financial Assistance Allocation	\$218,326	\$120,011	\$338,337
Revenues for 2nd Iteration (\$000)	\$6,135	\$2,988	\$9,123
Head Block Volumes	11,523,422	6,026,058	17,549,479
Subsidy Increase	\$0.0189	\$0.0199	\$0.0193

Discount Rate Shortfall-2nd Iteration			
R-2			
R-4			
Financial Assistance Subsidy			
Rate Base (\$/ Class)	\$18,703	\$6,925	\$25,628
Rate Base (%/ Class)	4.02%	4.32%	8.34%
Financial Assistance Allocation	\$210,361	\$115,417	\$325,777
Revenues for 2nd Iteration (\$000)	\$6,127	\$2,983	\$9,110
Head Block Volumes	11,523,422	6,026,058	17,549,479
Subsidy Increase	\$0.0183	\$0.0192	\$0.0186

Discount Rate Shortfall-3rd Iteration			
R-2			
R-4			
Financial Assistance Subsidy			
Rate Base (\$/ Class)	\$18,703	\$6,925	\$25,628
Rate Base (%/ Class)	4.02%	4.32%	8.34%
Financial Assistance Allocation	\$210,639	\$115,593	\$326,232
Revenues for 3rd Iteration (\$000)	\$6,127	\$2,983	\$9,111
Head Block Volumes	11,523,422	6,026,058	17,549,479
Subsidy Increase	\$0.0183	\$0.0192	\$0.0186